

VZCZCXRO4326  
PP RUEHLH RUEHPW  
DE RUEHIL #0156/01 0241229  
ZNY CCCCC ZZH

P 241229Z JAN 09  
FM AMEMBASSY ISLAMABAD

TO RUEHC/SECSTATE WASHDC PRIORITY 1147  
INFO RUEHBUL/AMEMBASSY KABUL 9689  
RUEHLO/AMEMBASSY LONDON 9480  
RUEHNE/AMEMBASSY NEW DELHI 4326  
RUEHKP/AMCONSUL KARACHI 0922  
RUEHLH/AMCONSUL LAHORE 6644  
RUEHPW/AMCONSUL PESHAWAR 5522  
RHMFIS/CDR USCENTCOM MACDILL AFB FL  
RHWSMRC/USCINCCENT MACDILL AFB FL  
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL  
RUEKJCS/SECDEF WASHINGTON DC  
RUEAIIA/CIA WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 000156

SIPDIS

E.O. 12958: DECL: 01/23/2019

TAGS: PGOV PREL MOPS PTER PK

SUBJECT: CENTCOM GENERAL PETRAEUS MEETS WITH PRIME MINISTER GILANI

Classified By: Anne W. Patterson for reasons 1.4 (b), (d).

**¶11. (C)** Summary: USCENTCOM Commander General David Petraeus and the Ambassador met January 20 with Prime Minister Yousuf Gilani. The Prime Minister complained about the rolling electricity blackouts throughout the country, blaming the Musharraf administration for the lack of capacity. Businesses were having to shutdown, with resulting layoffs, dragging down further Pakistan's lagging economy, he added. In response to Petraeus' warning against a "Great Game" outlook on the region and the Central Asian alternatives for ISAF supplies, Gilani stressed the need for more development aid through "Biden-Lugar" legislation as the silver bullet to fight poverty, and thus militancy, in Pakistan's frontier. Gilani agreed that profits from Afghanistan's poppy trade allowed terrorists to outspend the region's governments. He lamented the effects of the Mumbai attacks on what was an improving Indo-Pak relationship. Gilani advocated greater intelligence sharing between the two countries. End summary.

POWER GRIDS AND SPECIAL ENVOYS

**¶12. (C)** On January 20, USCENTCOM Commander General David Petraeus and the Ambassador met with PM Gilani. Also attending were USCENTCOM J5 Major General Robert Allardice, Political Advisor Michael Gfoeller, Transportation Command J4/J5 Rear Admiral Mark Harnicheck and Chief of Army Staff (COAS) General Ashfaq Pervez Kayani.

**¶13. (C)** Petraeus and Gilani began by discussing Pakistan's power shortages, which have subjected the country to daily blackouts. Gilani spoke about projects designed to increase electricity output while Petraeus shared his experiences in Iraq rebuilding the power grid. The PM noted that the effects of the power blackouts had hurt industrial output and a drag on the economy. Gilani expressed his interest in media reports about a special U.S. envoy for Kashmir.

THE GREAT GAME AND DEVELOPMENT

**¶14. (C)** Petraeus noted that he had just returned from visiting several Central Asian countries, having secured deals with several countries to allow the transit of cargo destined for U.S. and NATO/ISAF forces in Afghanistan. He emphasized the need to move away from the "Great Game" concept of the region - the Great Britain-Russian competition paradigm - noting that the U.S. and Russia were working jointly to fight extremists. Russian sources accounted for

more than half the fuel used by ISAF, Petraeus noted, at a cost of \$200 million in 2008. Reiterating that a redundant northern supply route through Central Asia had been secured through treaty, Petraeus said that it was in everyone's interest to keep the Khyber Pass open and free from militants.

¶ 15. (C) Gilani raised the Enhanced Partnership with Pakistan Act ("Biden-Lugar"), noting that when he had visited Washington in July 2008, he met then Senator Barack Obama and asked him to expedite passage of the bill. The PM stressed that development was critical to address the root cause of militancy - poverty. Petraeus warned that while he wanted to help Pakistan, there was some concern in Washington about troop movement from FATA to the Indian border. Petraeus termed these moves as counterproductive. It was not only important to clear out militants in the Swat Valley, Petraeus cautioned, but also to hold and develop the area. Petraeus also noted that the frontline against the insurgents was manned by the Frontier Corps and the police, both who lived in the area with their families and all who were exposed to militant attacks. Gilani said that it was important to give more money to the police in that area. The Ambassador added that there were also problems with assuring nutrition to children of internally displaced persons (IDPs) in that area, with 20 percent malnutrition reported. She said that Post was trying to re-energize participation of the international community in programs to assist IDPs.

POPPI PRODUCTION

- - - - -

ISLAMABAD 00000156 002 OF 002

¶ 16. (C) Petraeus called the detrimental effect of the narcotics production and trade "the oxygen that fuels the insurgency", on both Afghanistan and Pakistan. Petraeus cautioned that while poppy cultivation in Afghanistan had decreased 18 percent in 2008, the area of greatest violence, Kandahar and south of Kabul, was the center of the narcotics trade. Gilani noted that warlords inside of Pakistan depend on drug money.

MUMBAI FALLOUT

- - - - -

¶ 17. (C) Gilani expressed dismay that the events in Mumbai had undermined improving relations with India and benefited militants. He suggested that better intelligence sharing with India could help against future attacks. He noted that if India shared, the GOP could join forces in the fight against terrorism. The PM expressed his appreciation for U.S. assistance defusing the tension following the attacks in Mumbai. Gilani said that the GOP needed evidence to prosecute anyone for the Mumbai attacks, indicating that India had provided information, not evidence.

¶ 18. (U) This message has been cleared by USCENTCOM.

PATTERSON